

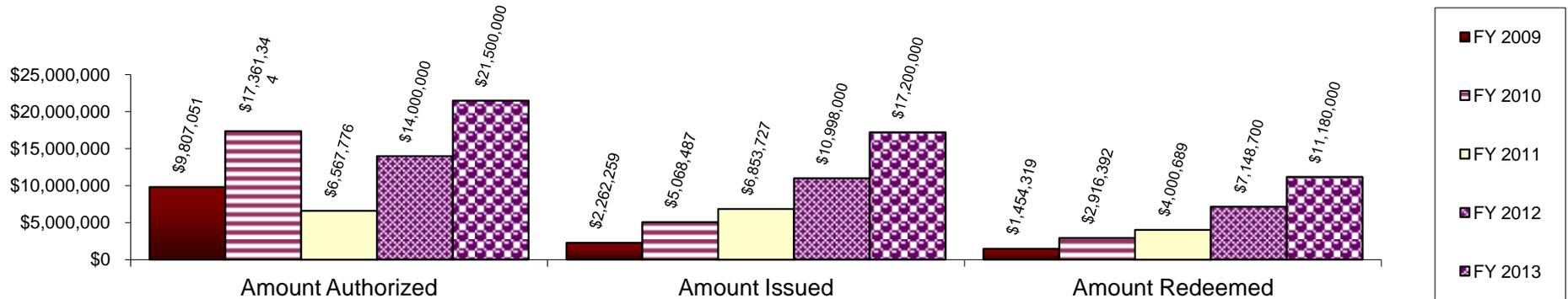
TAX CREDIT ANALYSIS

Program Name: Enhanced Enterprise Zone (EEZ)					
Department: Economic Development		Contact Name & No.: Brenda Horstman 751-3713			Date: October 2011
Program Category: Business Recruitment			Type: Tax Credit <input checked="" type="checkbox"/> Other (specify) _____		
Statutory Authority: 135.950 to 135.973, RSMo			Applicable Taxes: Income tax		
Program Description and Eligibility Requirements: Tax credits to new or expanding businesses in enhanced enterprise zones. At least two new jobs must be created or maintained and at least \$100,000 of new investment within the zone. Business eligibility determined by the zone based on creation of sustainable jobs in a targeted industry or demonstrated impact on local industry cluster development. Businesses also qualify for local abatement.					
Explanation of How Award is Computed: Entitlement _____ Discretionary <input checked="" type="checkbox"/> _____ Tax credits shall be the lesser of a formula amount based on number of jobs created, number of employees who are residents of the zone, number of employees paid wages above the county average wage and amount of new capital investment OR an amount authorized by DED that is limited to the projected state economic benefit. The credits may be provided each year for up to ten tax years after the project commences operations.					
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$24 million None _____					
Explanation of Cap: Annual calendar year cap increased from \$4 million to \$7 million beginning January 1, 2007. Effective December 2007, the annual calendar year cap increased again from \$7 million to \$14 million. Effective August 28, 2008, the annual calendar year cap increased to \$24 million.					
Explanation of Expiration of Authority:					
Specific Provisions: (if applicable) Carry forward _____ years Carry Back _____ years Refundable <input checked="" type="checkbox"/> Sellable/Assignable <input checked="" type="checkbox"/> Additional Federal Deductions Available _____					
Comments on Specific Provisions:					
	FY 2009 ACTUAL	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 (current year)	FY 2013 (budget year)
Certificates Issued (#)	31	52	70	81	90
Projects (#)	30	54	50	54	65
Amount Authorized	\$9,807,051	\$17,361,344	\$6,567,776	\$14,000,000	\$21,500,000
Amount Issued	\$2,262,259	\$5,068,487	\$6,853,727	\$10,998,000	\$17,200,000
Amount Redeemed	\$1,454,319	\$2,916,392	\$4,000,689	\$7,148,700	\$11,180,000
EST. Amount Outstanding	N/A	N/A	\$6,383,181	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$47,096,173	N/A	N/A

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HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information \$21,548,155 authorized in FY2008 over 5 years; \$9,335,998 authorized in FY 2009 over 5 years. FY10 is reported with the 5 year numbers.

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2011 ACTUAL	Other Fiscal Period (10 years)	Derivation of Benefits Investment: (a) \$64,395,618 in construction demand in 2011, (b) \$78,705,756 in equipment demand in 2011. Employment: (a) 1,374 new jobs across multiple industries at average wage rates between 2011-2020. Other Assumptions: (a) n/a Incentives/Credits: (a) \$6,567,776 in authorized EEZ credits, redeemed between 2011-2017. Impacts occur in the Statewide Region. Assumptions provided by DED. Estimated using REMI-PI+Statewide Model (remi-fiscal-PI+aug11). The multi-year fiscal Benefit-Cost Ratio is 10.72 when other program incentives are included
BENEFITS			
Direct Fiscal Benefits	\$6,664,348	\$48,751,705	
Indirect Fiscal Benefits	\$3,204,068	\$23,438,714	
Total	\$9,868,416	\$72,190,419	
COSTS			
Direct Fiscal Costs	\$938,254	\$6,136,406	
Indirect Fiscal Costs	\$0	\$0	
Total	\$938,254	\$6,136,406	
BENEFIT: COST	10.52	11.76	

Other Benefits:

In FY-2011, every dollar of authorized program tax credits returns

\$154.53 in new personal income totaling	\$144.99 million
\$327.28 in new value-added/GSP totaling	\$307.07 million
\$642.66 in new economic output totaling	\$602.97 million

Over 10 YEARS, every dollar of authorized program tax credits returns

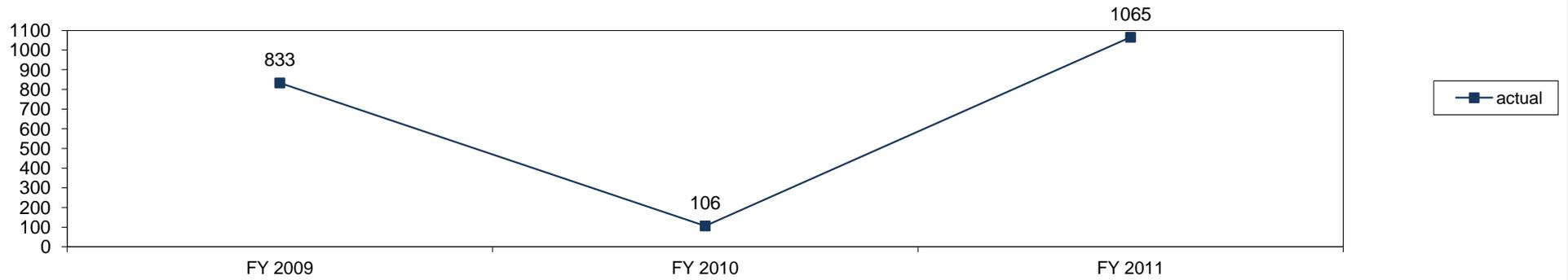
\$232.48 in new personal income totaling	\$1,426.61 million
\$462.83 in new value-added/GSP totaling	\$2,840.14 million

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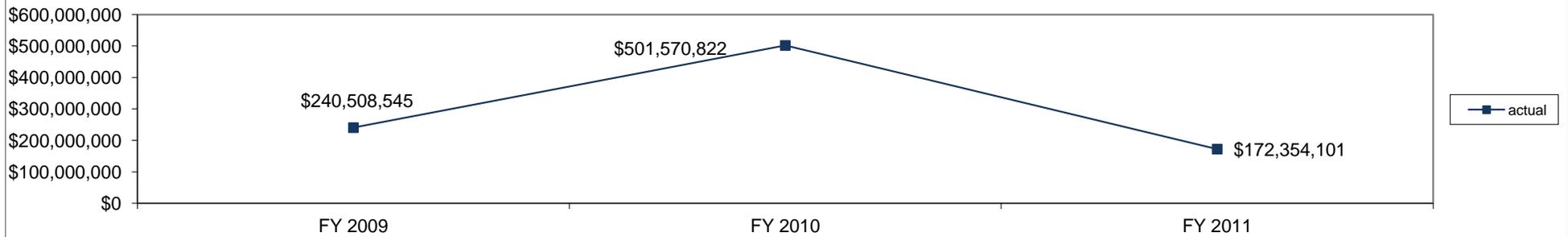
PERFORMANCE MEASURE(S)

Permanent Net New Jobs Created Over Previous Year



Comments on Performance Measure:

Net New Investment Over Previous Year



Comments on Performance Measure: